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Hamilton Square 600 14th Street NW Suite 750 Washington, DC 20005
W > www.covad.com

T > 202.220.0400
F > 202.220.0401

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October 13, 2000

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Via hand delivery

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

Re: CC Docket No. 00-176

Dear Ms. Salas:

On October 12, 2000, Jason Oxman and Valerie Evans met with Dorothy Attwood, Glenn Reynolds, Jane Jackson, Michelle Carey, Jared Carlson, and Rich Lerner of the Common Carrier Bureau to discuss Verizon's 271 application for Massachusetts. They discussed Covad's opposition to granting 271 authority to Verizon in Massachusetts, as more fully set out in the attached presentation.

Very truly yours,

Florence M. Grasso

cc: Dorothy Attwood
Glenn Reynolds
Jane Jackson
Michelle Carey
Jared Carlson
Rich Lerner
Susan Pié, Common Carrier Bureau

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**Presentation of Covad
Communications Company on
Section 271 Application of
Verizon - Massachusetts**

October 12, 2000

DSL Is Just as Important as Voice in the 271 Calculus

- DSL is one of the fastest growing segments of the market, and the most important barometer of loop performance
 - Most Facilities-Based Voice Competition Occurs over Hot Cut Loops, Not New Loops (as with DSL)
 - UNE-P Loops Do Not Involve Central Office Wiring or Field Work as Do xDSL Loops
- Unlike voice carriers, DSL providers actively target the residential market
- The Decision Granting Bell Atlantic – New York 271 Authority While Disregarding DSL Performance Was an Anomaly, As that Decision and the Southwestern Bell 271 Decision Make Clear

The Commission set the xDSL rules in the SWBT TX 271

- Commission examined only three aspects of SWBT's xDSL loop performance
 - (1) Missed installation due dates
 - On time loop delivery: SWBT retail 93.5%/CLEC 92.3% (SWBT 271 Order at para. 297)
 - Compare: VZ retail 83%/CLEC 51% (PR 3-10)
 - (2) Loop Quality
 - Trouble w/in 30 days: SWBT retail and CLEC both about 4% (SWBT 271 Order at para. 300)
 - Compare: VZ retail 3%/CLEC 8.5% (PR 6-01)
 - (3) Maintenance and Repair
 - Average time to repair: SWBT retail 24.8 hours/CLEC 3.22 hours (SWBT 271 Order at para. 304 n. 846)
 - Compare: VZ retail 25 hours/CLEC 45 hours (MR 4-01)

Verizon's own data shows it is out of parity,
so it tries to explain away the data . . .

- On-time loop performance is only 51%
 - VZ excuse: CLECs are using manual, instead of automatic, loop qualification, which pushes loop due date out an extra 3 days
 - Covad response: we qualify loops manually less than 15% of the time.
 - Covad response: VZ admits that at least 44% of the loops VZ claims are “complete” are found to be non-working loops within 30 days. Performance is even worse than the 51% shown.

xDSL Loop Performance Is Out of Parity

- Verizon Has Steadily Reduced the *Average Interval Completed* for Its Own Dispatched 2-Wire xDSL Loops, But Has Hardly Improved Performance on that Metric for CLECs (PR 2-02)
 - Verizon reduced the average interval completed for its own services from 12.14 days in April of this year to 5.93 days in July
 - Verizon's showed much less improvement for CLECs: the average interval offered to CLECs of 7.80 days in April was still 7.14 days in July
 - Thus, the trend of the data shows Verizon to be moving even further out of parity
- Verizon mistakenly claims that “retail DSL orders are not a good analogue for unbundled DSL loops” because the latter require a dispatch -- VZ agreed to the retail analogue in adopting these measures.

Repair time is almost twice as long for CLECs as it is for Verizon's own customers (45 hours for CLECs v. 25 hours for VZ customers (MR 4-01)), and 44% of DSL loops Verizon delivers are found not to work within 30 days - Part 1

- Verizon excuse #1: no access in about 59% percent of appointments
- Covad response: These “no access” issues are already excluded from the metric. More importantly, Verizon refuses to fix the no access problem, which requires collaborative solutions.
 - example: VZ will only give appointment windows to CLEC customers of “all day,” while it gives its own customers a window of a few hours.
 - example: Verizon will show up after 5pm for a business install when the business is closed.
- Solution: Verizon will only work with Covad to fix the problem if the FCC tells Verizon to before approving its Mass. 271 application.

Repair time is almost twice as long for CLECs as it is for Verizon's own customers (45 hours for CLECs v. 25 hours for VZ customers (MR 4-01)), and 44% of DSL loops Verizon delivers are found not to work within 30 days - Part 2

- Verizon excuse #2: Covad is accepting loops that have been “acceptance tested” as good and then deciding the loops don't work for the particular services Covad wants to offer.
- Covad response: The 44% of loops delivered that don't work are non-functional for any service -- voice or data -- they simply do not work.
- Covad response: Acceptance testing is a sporadic process with no way to verify where on the loop Verizon's technician is testing. If the test is done in the wrong place, a loop will be “accepted” when in reality it doesn't work.
- Solution: The Commission must instruct Verizon to fix the acceptance testing process so it works before approving the Mass. 271 application.

Strike Data for Verizon Is Unreliable

- Verizon's Metrics Data Gathered in August or September Has Been Tainted by the Strike
 - During the Strike, Verizon Assigned a Due Date of 12/31/00 to All CLEC Orders
 - Accordingly, the Most Recent Data on Which Verizon's Application Relies Is for July
 - The Commission Should Oppose Any Attempt of Verizon to Rely upon Data from August, September, or October Because Verizon Does Not Expect to Eliminate the Backlogged Orders until October 9, 2000
 - The Commission Should Review At Least One Quarter of Data Before It Approves a Verizon - MA 271 Application

Line Sharing - simply finishing splitter installation does not mean Verizon is “operationally ready” to offer linesharing in Mass.

- Verizon Originally Committed to Completing the Installation of Splitters in MA for Covad on July 13, 2000
 - Verizon finally finished splitter installation in Mass. last week, four months after FCC deadline. Covad ordered splitters that sat in a warehouse for months while Verizon refused to install them.
 - Covad still cannot order linesharing in Mass., because Verizon will not have its linesharing OSS ready until at least 1Q 2001.
 - No linesharing metrics are in place in Mass, and FCC has no viable linesharing data to examine. KPMG did not test linesharing
 - FCC made clear in SWBT Texas 271 that linesharing proof would be required.
 - Verizon must not be rewarded for delaying its linesharing compliance. VZ will speed its compliance only 271 approval is delayed.

Verizon's OSS Problems

- EDI Implementation with Verizon Has Been Extremely Difficult
 - Verizon Was One of the First ILECs with Which Covad Started the EDI Implementation Process More than a Year Ago
 - Yet, Because of Verizon's Software Problems, Covad Still Does Not Have EDI Up and Running in Verizon Territory (Covad Hopes to Do So Soon)
 - By Contrast, Covad Has a Reasonably Mature EDI Interface that Has Been Running in PacBell Territory for Almost One Year

Collocation Power Charges

- Why DC Power Costs So Much in MA
 - The Rates Are Extremely High
 - Verizon's Rates Are Easily Three Times As High As Those of Other RBOCs
 - Verizon Charges for Fused, Not Drained, Amps in MA
 - FCC Tariffs Do Not Adopt This Practice, But Covad Cannot Order Cageless Collocation Under Them